

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF)	CASE NO.
AFFILIATE AGREEMENTS RELATED TO THE)	2021-00421
MITCHELL GENERATING STATION)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on January 14, 2022. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made, and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Item 3.c. Confirm that none of the environmental permits listed in Attachment 1 to Kentucky Power's response to Staff's First Request, Item 3.c. contain a date certain.

2. Refer to Kentucky Power's response to Staff's First Request, Item 9. Identify the technical expert who has been selected, provide the specific criteria used to

evaluate and select the technical expert, and explain whether the selection was made in response to a request for proposals.

3. Refer to Kentucky Power's response to Staff's First Request, Item 11.b. Provide the calculations showing how the CapEx adjustment was derived in the numerical example.

4. Explain why the inclusion of any Effluent Limitations Guidelines (ELG) related costs and or expenditures in any facet of the Ownership or Operating Agreements does not violate the Commission's July 15, 2021 Order in Case No. 2021-00004.²

5. Kentucky Power acquired its share of the Mitchell facility at book value without regard to an estimated fair market valuation. Explain why this Commission should approve a transfer amount other than the Mitchell facility's book value as of December 31, 2028 for the Mitchell facility minus any and all ELG related costs and or expenditures.

6. Refer to Kentucky Power's Response to Staff's First Request, Item 14.h. and Item 18.f. Explain in specific detail why it is reasonable to eliminate the "outlier" fair market appraisal amount.

7. State whether Kentucky Power or any AEP subsidiary used the same fair market appraisal calculation that excludes an "outlier" appraisal amount as specified in the Mitchell Operating Agreement, Section 9.6(b). If so, identify which entity or entities have utilized the same calculation and provide documentation of any agreement or transaction that utilized the same calculation methodology.

² Case No. 2021-00004, *Electronic Application of Kentucky Power Company for Approval of a Certificate of Public Convenience and Necessity for Environmental Project Construction at the Mitchell Generating Station, an Amended Environmental Compliance Plan, and Revised Environmental Surcharge Tariff Sheets.*

8. Refer to the proposed Mitchell Ownership Agreement, Article 6.9. Explain whether the parties' intent is that this contract provision take precedence over any regulatory agency's decision or order. If so, provide the basis for which Kentucky Power asserts the contract term takes precedence over a regulatory agency's decision or order.

9. Refer to the proposed Mitchell Ownership Agreement, Article 9.6(b). Confirm that if the highest appraisal amount is more than twice the amount of the middle estimate, then the highest estimate is excluded and only the middle and lowest estimates are used. If confirmed, explain why there is not a similar provision for excluding the lowest estimate if it is equally lower than the middle estimate.

10. Refer to the proposed Mitchell Ownership Agreement, Article 12. Identify the senior executives with authority to resolve disputes if the Operating Committee cannot reach a unanimous decision.

11. State whether there is a current Mitchell Ownership Agreement between Kentucky Power and Wheeling Power. If so, provide a copy.



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DATED JAN 05 2022

cc: Parties of Record

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